

Monthly Market Briefing

The latest data, views and outlook on the residential market

- Why prices are growing faster for houses than flats
- How to beat the stamp duty deadline
- Sales outlook for 2021
- Latest policy update
- Regional price and rental data

“Price growth for houses is more than double than that for flats at +4.3%”

Richard Donnell
Research and Insight Director,
Zoopla

Prices for houses rising twice as fast as flats

UK house price inflation has risen to 3.9% and could reach 5% early this year before easing throughout the rest of 2021.

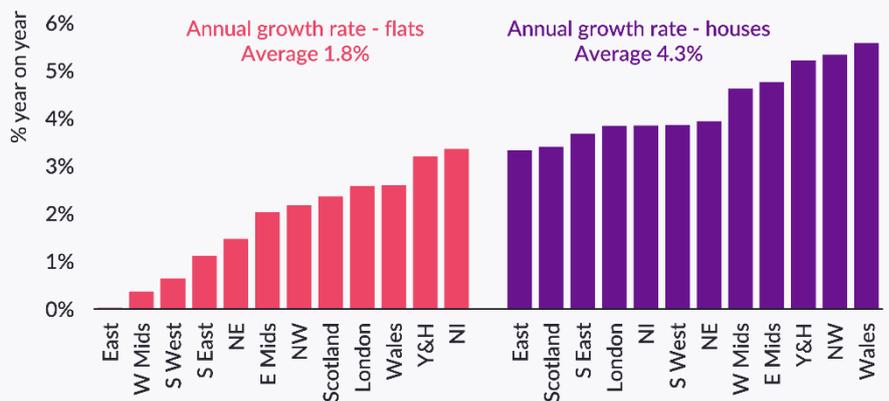
However the value of all residential property is not rising evenly. As well as geographical variations, the type of home has also become increasingly important when it comes to price performance.

The search for space among buyers, a near-constant theme in the market after the initial lockdown last year, means that demand for houses – with their additional internal and external space – has pushed up prices for these type of homes faster than for flats.

The scale of the difference across the country is shown below, but we expect the search for additional living space will continue into 2021.

Vendors hoping to sell a house may be at an advantage in current market conditions.

Search for space boosts price growth for houses over flats



Source: Zoopla House Price Index

Year on year price growth by region and type to Nov 20

Find out all the latest data
for your area:

[In Your Area](#)

54%

Average number of sales agreed in January that typically complete before the end of March

Beating the stamp duty deadline

In a typical year, around half of home sales agreed in January will complete by the end of March. However, with the end of the stamp duty holiday approaching on March 31st, this is no typical year. There are 30% more sales agreed in the pipeline than this time last year, resulting in one of the busiest festive periods for the housing market in more than a decade.

Buyers and movers who want to take advantage of the stamp duty holiday can still beat the deadline, if they do plenty of legwork soon. Those who need to sell a home can do this by instructing both an agent and conveyancer swiftly.

Buyers should also seek to agree a mortgage in principle as soon as possible. There are also tens of thousands of chain-free re-sale properties and new homes listed for sale around the country on Zoopla.

Less than 20% of those who agree a sale in February will typically complete the purchase before the end of March.

It may not too late to beat the stamp duty deadline if movers and buyers are proactive.

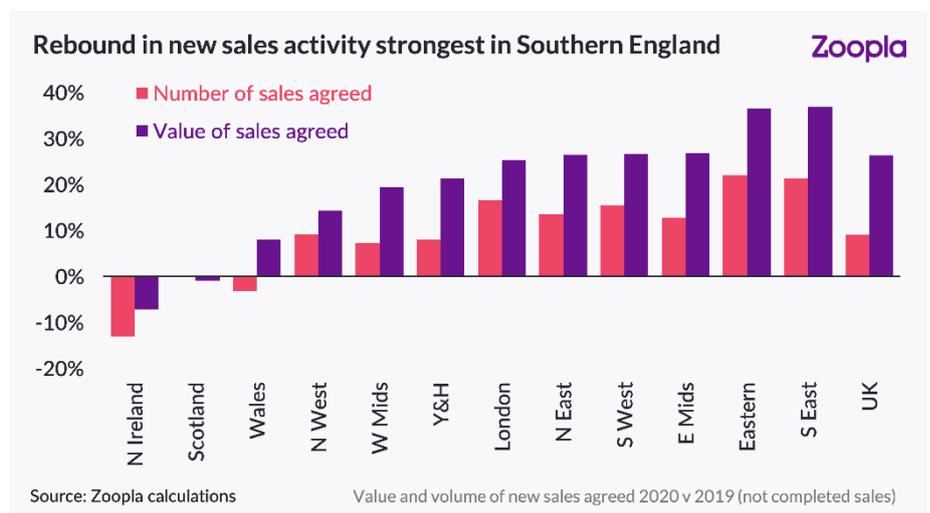
Sales activity throughout 2021

The ‘once-in-a-lifetime’ reassessment of housing needs prompted by the pandemic, which has translated into unseasonably strong levels of demand, has further to run.

The stamp duty holiday has supported demand during 2020, but a recent survey by Zoopla found that 44% of movers plans were not influenced by this - instead their motivations were the need for more space and a better location.

We expect a strong start to 2021 – coming after a 77% bounce in search activity on Boxing Day, even amid further lockdowns. A wider choice of mortgages for those with smaller deposits will support first-time buyers this year.

We also expect more equity-rich long-term homeowners to continue to take a growing share of market activity in 2021, with higher average sales values.



Policy Update

- As most of the country enters new lockdown measures, the Government confirmed that the [housing market in England will remain open](#). Policymakers in [Scotland](#), [Wales](#) and [N Ireland](#) have all indicated that home moves can continue under the new restrictions. Find all the latest on [Zoopla Discover](#).
- The Welsh Finance Minister has added an additional 1% to the 3% stamp duty surcharge for those buying additional properties in the country. The receipts will be used to fund social housing. The UK Budget will take place on [March 3rd 2021](#). The Chancellor may address the findings of the [Office of Tax Simplification](#) around capital gains tax (CGT) on property.
- A Government response to a petition to extend the stamp duty holiday said there were [no plans to extend](#) it past March 31st in England. If more than 100,000 people sign the petition, it may be debated in Parliament.

Data digest:

	House prices % annual change	Rents % annual change
UK	3.9%	-0.5%
North East	3.3%	3.2%
North West	5.0%	1.8%
Yorkshire & the Humber	4.9%	2.3%
East Midlands	4.3%	2.5%
West Midlands	4.0%	0.0%
East of England	2.8%	2.2%
London	3.0%	-5.2%
South East	2.9%	0.8%
South West	3.6%	2.7%
N Ireland	3.4%	3.3%
Scotland	3.1%	0.1%
Wales	4.9%	2.5%

Find out all the latest data for your area:

In Your Area

Source: Zoopla Research, prices year to November 2020, rents year to end Q3 2020

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